



Shree Pushkar Chemicals & Fertilisers Limited

Investor
Presentation
May 2019



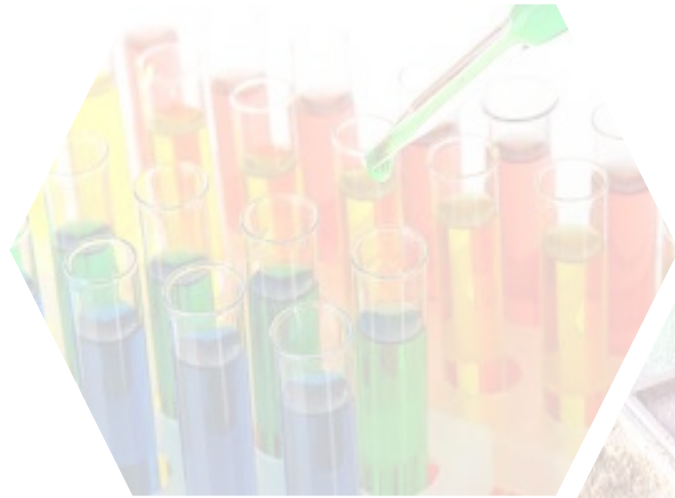
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***FY19
Financial Highlights***



Record Annual Performance



Revenue

**Highest
Ever**

**Rs. 451.9
Crores**

Adj. EBITDA*

**Highest
Ever**

**Rs. 69.3 Crores
Margin 15.3%**

PAT

**Highest
Ever**

**Rs. 40.8 Crores
Margin 9.0%**

The Board have recommended a Final Dividend of Rs. 1.5 per share (i.e. 15% of Face Value of the share)

Key Business Update



Commenced Sulphuric Acid plant of 100 TPD in Kisan Phosphates Pvt. Ltd.

- To meet captive requirement of Acid & Power Plant of 700 KW capacity
- Expected to reduce power cost in said unit by ~25-30%



Revamping of the Manufacturing facilities at Unit - 1 situated within MIDC Lote

- Unit-1 started its manufacturing activities way back in 2001. Since then there has been several expansions/debottlenecking over the years. Thus unit-1 which is the oldest, has the maximum number of plants and the plot area is fully utilised resulting in congestion, leaving no area for modifications/ expansions.
- From time to time preventive maintenance were carried out and no major difficulties have been experienced in the past. Now over the last few quarters, we have been facing frequent breakdowns in some of the old DI plants which have been creating various operational difficulties.
- Keeping this in view, the Company has proposed to revamp some of the plants by taking up these plants for major overhaul, maintenance & replacement:
 - Dismantling/ Scrapping/Modifying some of the vessels/ reactors/ equipment's /plants which have outlived their age and replace them with new ones to make them more versatile
- The revamp will take place in a phased manner with a capex cost of ~ Rs 5 Crs and will be funded through internal accrual. The revamp is expected to be completed by end of the current financial year FY20.



Rationale

Better Quality

Optimum Efficiency

Deployment of Latest Technology

Value added Products

Long term Sustainability

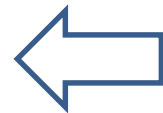
Planned Expansion through Internal Accrual



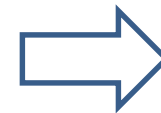
The planned capex of **~Rs. 75 crores** in the dye intermediaries' segment is in advanced stage of obtaining EIA/ MPCB clearance. The said expansion is expected to commence production in FY21



In process of acquiring Madhya Bharat Phosphates Pvt. Ltd, (MBPL) through NCLT with the total cost of **~Rs 28 crores** including refurbishment of said unit



Rs 108 cr
Capex through
Internal
Accrual

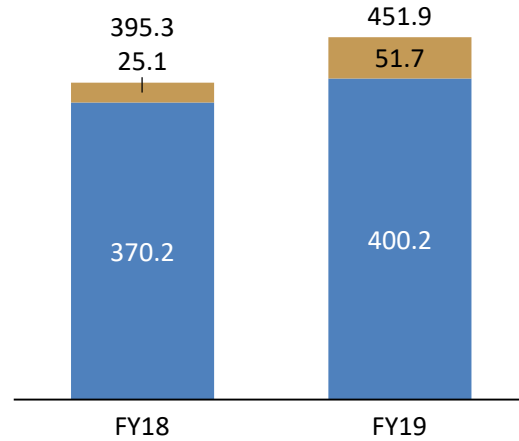


Revamping of the Manufacturing facilities at Unit -1 in MIDC Lote for **Rs 5 Crores**

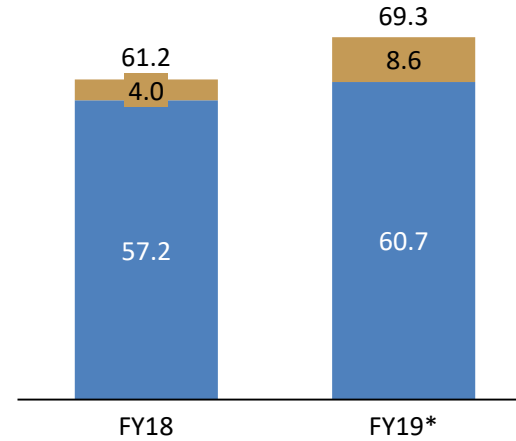
FY19 Performance Highlights



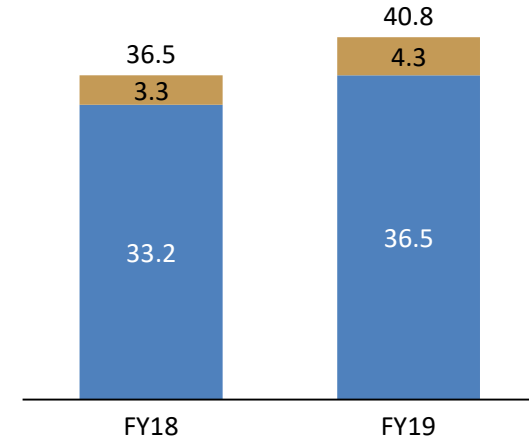
Total Revenue from operations



Adjusted EBITDA



PAT



(Rs in Crores)

■ Kisan Phosphates ■ Standalone

- Rising contribution from Dyestuff
- Improving Price Realisation
- Higher Recognition of Brand Dyecol
- Higher penetration in Export Market: +190% Growth

- Improved Product Mix
- Impacted due to One off Expenses (Bad Debts Written Off)

- Consistent improvement in Bottom line

FY19 Segmental Highlights



- Sustained contribution from Dyestuff segment to our revenues which has been on the uptrend. We believe, the realization of Dyestuff to improve as the increase in prices of dye intermediates gets passed on to the dyestuff
- Acid Complex Division continues to have higher captive utilization for Dye Intermediates in view of additional capacity in Dye Intermediates and production of dyes

Dyestuff

↑ 7% Volume growth

↑ 8% Revenue growth

Fertiliser

↑ 66% Volume growth

↑ 30% Revenue growth

Dye Intermediates

↓ 2% Volume de-growth

↑ 13% Revenue growth

Led by Higher Captive Consumption

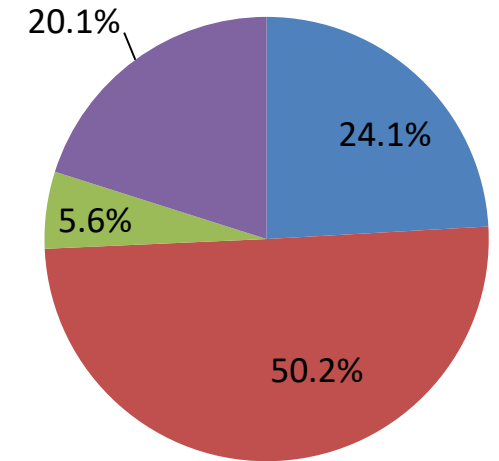
Acid Complex

↓ 43% Volume de-growth

↑ 15% Revenue growth

Led by Higher Captive Consumption

Revenue Break up FY19



■ Dyestuff ■ Dye Intermediates
■ Others ■ Fertiliser

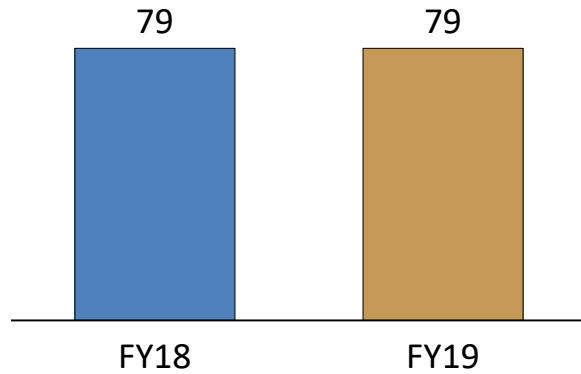
*Volumes represent sales volumes

On Consolidated Basis

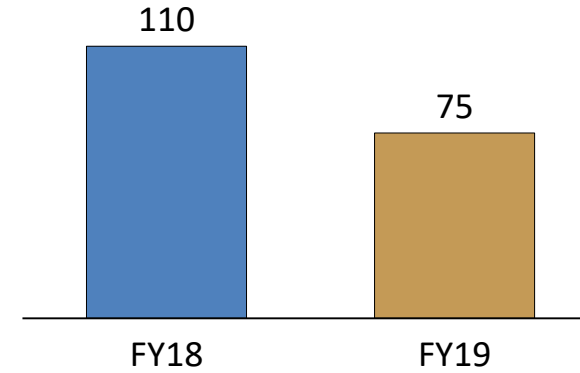
Improvement in Working Capital



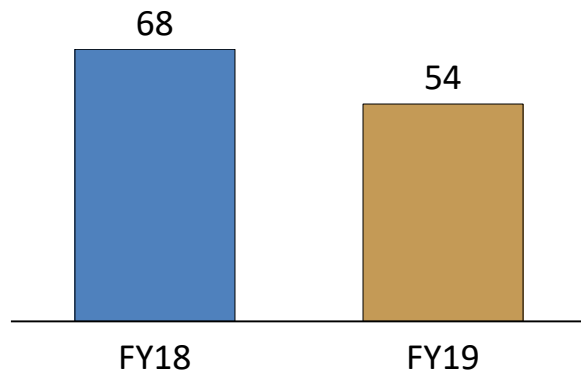
Receivables Days



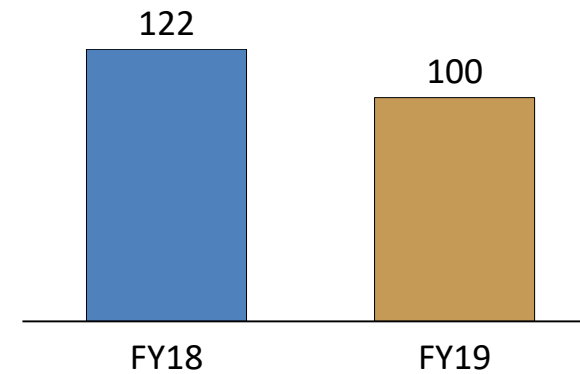
Inventory Days



Payable Days

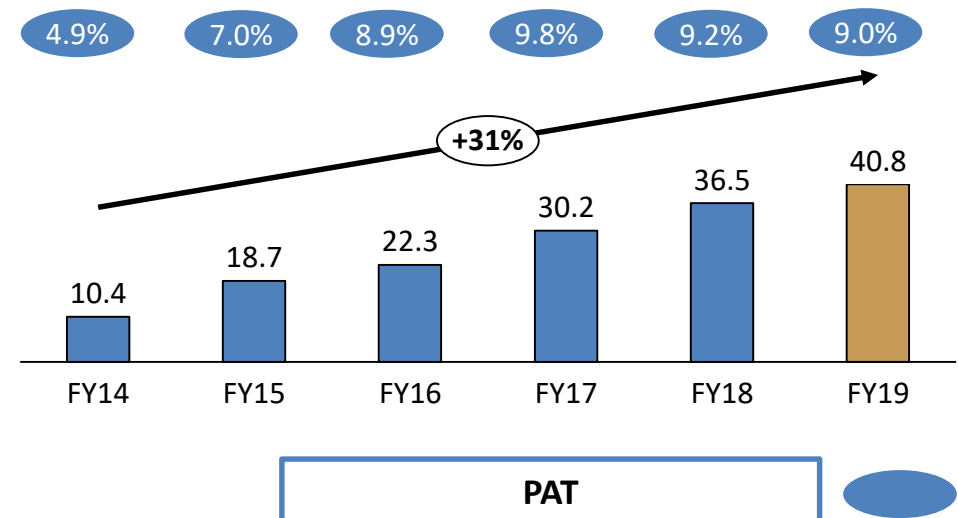
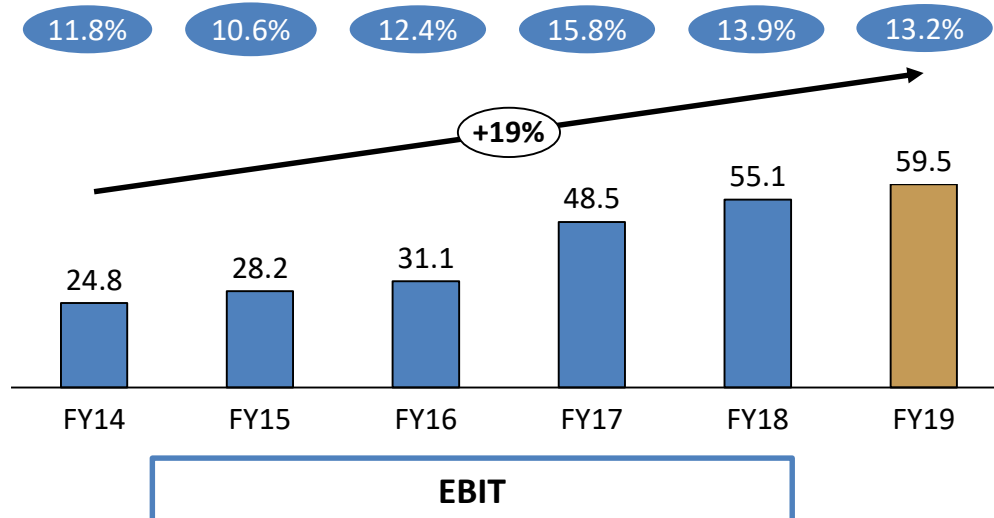
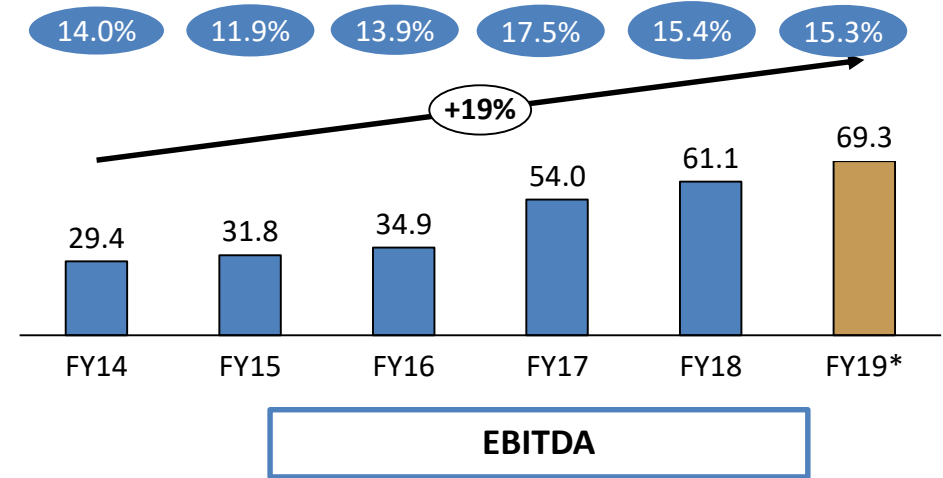
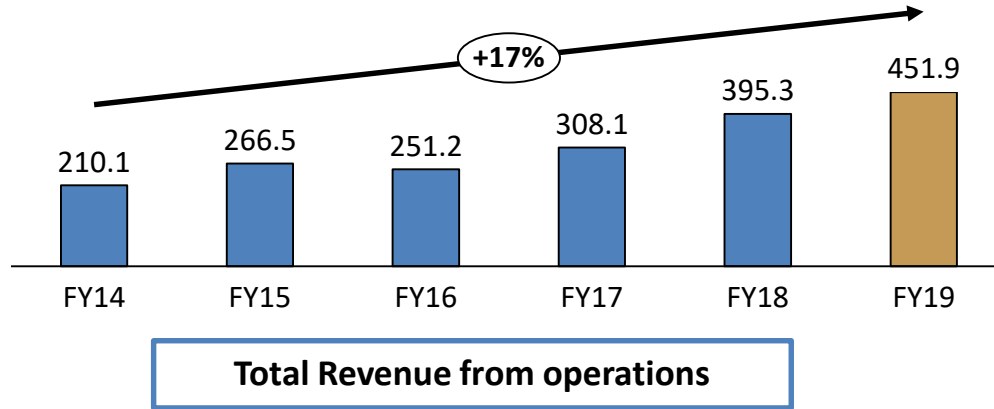


Working Capital Days



Consistent Growth in Business

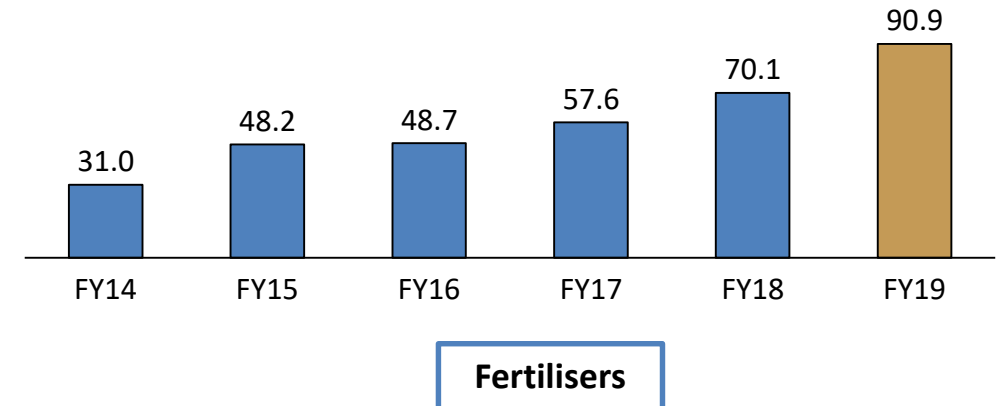
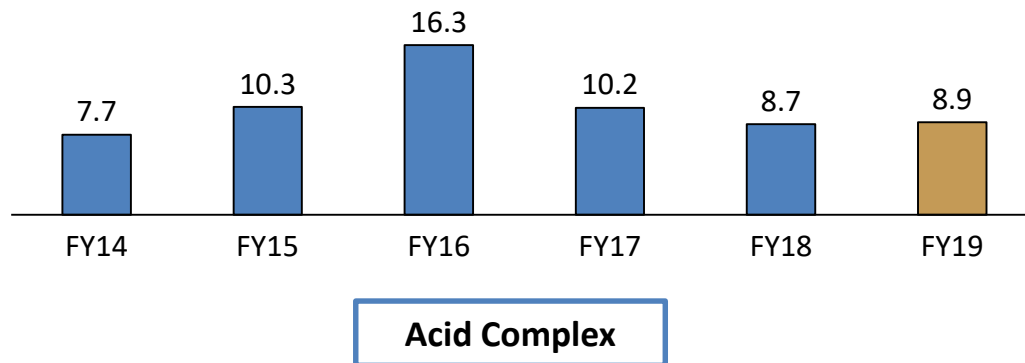
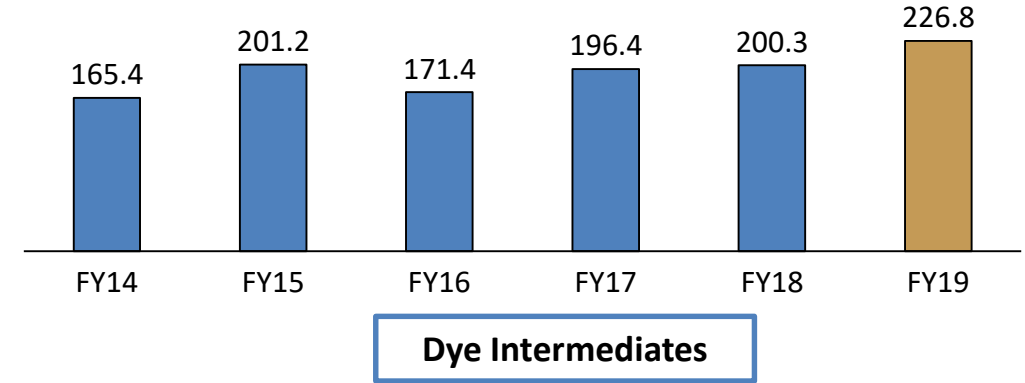
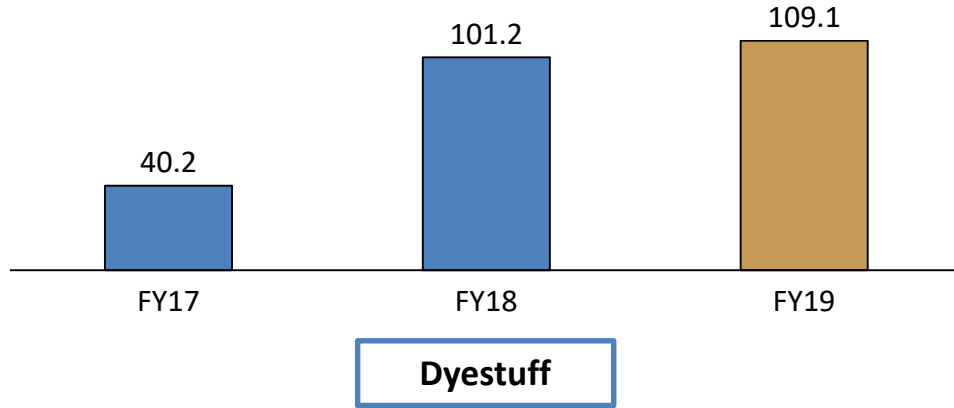
(Rs in Crores)



As per Ind AS post FY17 On Consolidated Basis *One off Expenses (Bad Debts Written Off)

Segmental Revenue Breakup

(Rs in Crores)



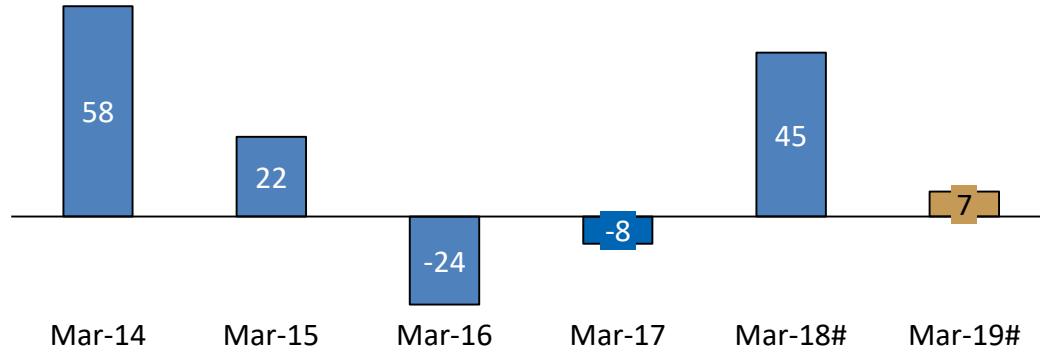
Higher captive consumption of Dye Intermediates and Acids, for Production of Dyes

Key Financial Parameters

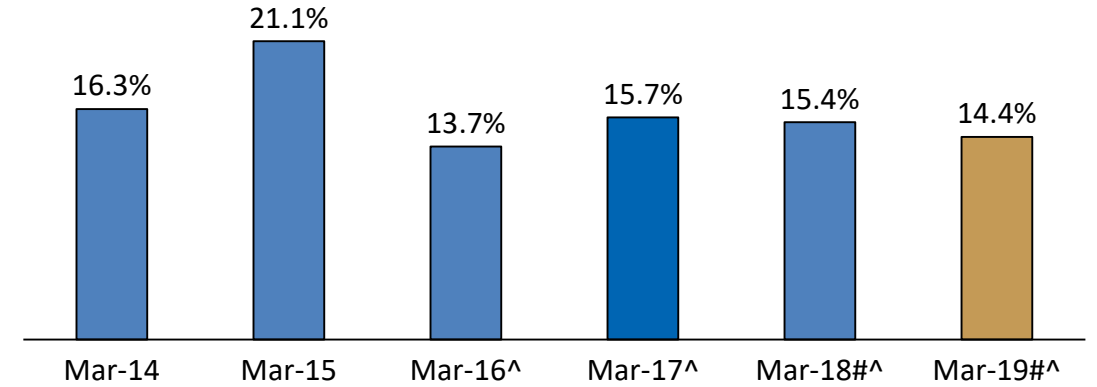
(Rs in Crores)



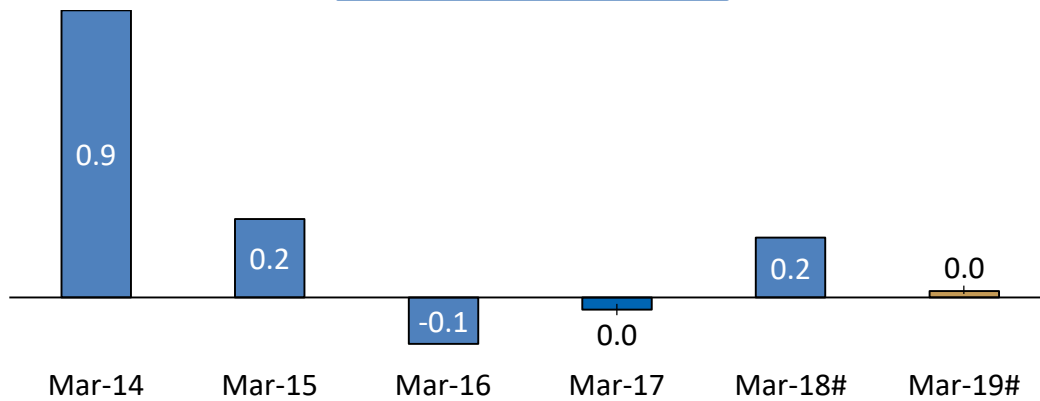
Net Debt



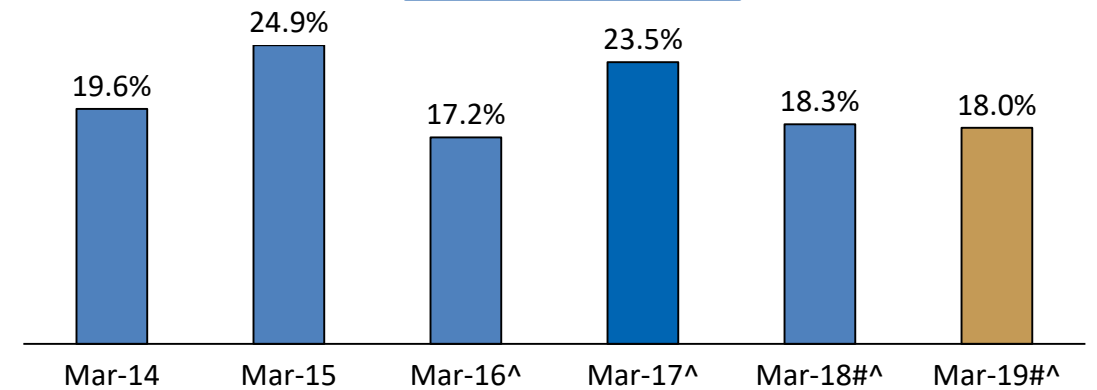
ROE %



Net Debt to Equity



ROCE %



Consolidated P&L Statement



Particulars (Rs. In Crores)	Q4 FY19	Q4 FY18	Y-o-Y	FY19	FY18	Y-o-Y
Revenue from Operations (Net of Excise)	117.6	120.1	-2.1%	451.9	395.3	14.3%
Raw Material	84.2	88.0		302.6	272.1	
Employee Cost	6.7	5.7		30.1	18.7	
Other Expenses	13.9	14.1		49.8	43.3	
Adj. EBITDA*	12.8	12.3	3.7%	69.3	61.2	13.3%
Adj. EBITDA Margin*	10.9%	10.3%		15.3%	15.5%	
One off Expenses*	2.2	0.0		2.2	0.0	
Other Income	1.1	0.5		2.4	1.7	
Depreciation	2.5	2.2		10.0	7.8	
EBIT	9.2	10.7	-13.7%	59.5	55.1	8.1%
EBIT Margin	7.8%	8.9%		13.2%	13.9%	
Finance Cost	1.8	0.8		3.7	2.9	
Profit before Tax	7.4	9.8	-24.4%	55.8	52.2	6.9%
PBT Margin	6.3%	8.2%		12.4%	13.2%	
Tax	-0.2	0.5		15.0	15.7	
Reported PAT	7.6	9.4	-18.4%	40.8	36.5	11.8%
PAT Margin	6.5%	7.8%		9.0%	9.2%	
Normalised PAT*	9.9	9.4	5.3%	43.7	36.5	19.5%
Normalised PAT Margin*	8.4%	7.8%		9.7%	9.2%	

Consolidated Balance Sheet



EQUITY AND LIABILITIES (Rs. In Crores)	Mar-19	Mar-18
Equity		
Equity Share capital	30.7	30.2
Other equity	253.7	206.9
Sub-total - Shareholders' funds	284.4	237.1
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	7.4	2.7
Provisions	0.5	0.4
Deferred tax liabilities (net)	19.6	13.7
Other non-current liabilities	0.5	0.1
Sub-total - Non-current liabilities	28.0	17.0
Current liabilities		
Financial liabilities		
Borrowings	39.3	61.9
Trade payables	44.9	50.5
Other financial liabilities	0.4	0.4
Other current liabilities	5.3	2.8
Provisions	0.1	0.0
Current tax liabilities (net)	5.9	10.0
Sub-total - Current liabilities	95.9	125.6
TOTAL - EQUITY AND LIABILITIES	408.3	379.7

ASSETS (Rs. In crores)	Mar-19	Mar-18
Non-current assets		
Property, plant and equipment	167.3	161.4
Capital work-in-progress	10.5	3.4
Goodwill	4.9	4.9
Intangible Assets Under Development	0.0	0.0
Financial assets		
Investments	0.1	0.5
Other financial assets	4.2	1.6
Other non-current assets	9.2	8.2
Sub-total - Non-Current Assets	196.1	180.0
Current assets		
Inventories	62.3	82.3
Financial assets		
Trade receivables	98.3	86.0
Cash and cash equivalents	0.5	0.4
Bank balances other than Cash and Cash equivalents	39.3	19.0
Loans	0.3	0.2
Other financial assets	1.5	1.1
Other current assets	10.0	10.7
Sub-total - Current Assets	212.2	199.7
Assets held for sale	0.0	0.0
TOTAL - ASSETS	408.3	379.7

Standalone P&L Statement



Particulars (Rs. In Crores)	Q4 FY19	Q4 FY18	Y-o-Y	FY19	FY18	Y-o-Y
Revenue from Operations (Net of Excise)	102.2	101.9	0.3%	400.2	370.2	8.1%
Raw Material	75.8	75.8		273.8	258.3	
Employee Cost	5.9	4.6		26.7	17.0	
Other Expenses	10.1	11.8		38.9	37.7	
Adj. EBITDA*	10.5	9.7	8.1%	60.7	57.2	6.2%
Adj. EBITDA Margin*	10.3%	9.5%		15.2%	15.4%	
One of Expense*	2.2	0.0		2.2	0.0	
Other Income	1.1	0.5		2.4	1.7	
Depreciation	2.0	1.7		8.2	6.9	
EBIT	9.5	8.5	12.2%	52.7	51.9	1.5%
EBIT Margin	9.3%	8.3%		13.2%	14.0%	
Finance Cost	0.8	0.7		2.0	2.3	
Profit before Tax	8.8	7.8	12.1%	50.7	49.7	2.1%
PBT Margin	8.6%	7.7%		12.7%	13.4%	
Tax	0.0	1.5		14.2	16.5	
Reported PAT	8.8	6.3	39.6%	36.5	33.2	9.9%
PAT Margin	8.6%	6.2%		9.1%	9.0%	
Normalised PAT*	11.0	6.3	74.7%	39.3	33.2	18.5%
Normalised PAT Margin*	10.8%	6.2%		9.8%	9.0%	

Standalone Balance Sheet



EQUITY AND LIABILITIES (Rs. In Crores)	Mar-19	Mar-18
Equity		
Equity Share capital	30.7	30.2
Other equity	245.9	203.5
Sub-total - Shareholders' funds	276.6	233.7
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	0.3	0.3
Provisions	0.5	0.4
Deferred tax liabilities (net)	20.4	14.1
Other non-current liabilities	0.5	0.1
Sub-total - Non-current liabilities	21.7	15.0
Current liabilities		
Financial liabilities		
Borrowings	11.0	40.8
Trade payables	36.4	39.1
Other financial liabilities	0.4	0.4
Other current liabilities	4.3	2.6
Provisions	0.1	0.0
Current tax liabilities (net)	4.8	9.9
Sub-total - Current liabilities	57.0	92.9
TOTAL - EQUITY AND LIABILITIES	355.3	341.6

ASSETS (Rs. In crores)	Mar-19	Mar-18
Non-current assets		
Property, plant and equipment	137.9	141.8
Capital work-in-progress	10.5	0.3
Goodwill		
Intangible Assets Under Development	0.0	0.0
Financial assets		
Investments	21.4	21.8
Other financial assets	3.8	1.5
Other non-current assets	9.1	7.3
Sub-total - Non-Current Assets	182.6	172.6
Current assets		
Inventories	46.0	67.1
Financial assets		
Trade receivables	79.4	72.4
Cash and cash equivalents	0.4	0.3
Bank balances other than Cash and Cash equivalents	39.3	19.0
Loans	0.3	0.2
Other financial assets	1.4	1.1
Other current assets	5.9	8.9
Sub-total - Current Assets	172.7	169.0
Assets Classified as held for Sale	0.0	0.0
TOTAL - ASSETS	355.3	341.6



Business Overview

A Winning Formula...



Ramping up of **higher margin Dyestuff Segment**

Products spread across **5 segments**

Brand Dyecol™ for Dyestuff Segment

Undertaken **Backward & Forward Integration**

Single location plant at Lote Parshuram

Exports to world's leading dye manufacturers

Marketing through **+300** dealers for Fertilisers

We have a **sustainable Zero Waste Model**



Evolution of Our Business



1993 –
2003

- Commenced trading/imports of chemical products & dye Intermediates
- In 2001, changed our focus to manufacturing by starting Gamma Acid
- In 2002, began backward integration for In-house Raw Material & Cost Efficiencies

2004-
2010

- Recycling of effluents from Dye Intermediates Division with the manufacturing of Di Calcium Phosphate in 2007
- In 2010, commenced the Acid Division

2011 –
2016

- In 2011, began use of Spent acid for manufacturing of SSP and Soil Conditioner
- In 2016:
 - Started our NPK Plant
 - Expanded capacities within Dye Intermediates
 - **Moved up the Value chain with Manufacture of Dyestuff**

2017 & Beyond

- Rapidly expanded Dyestuff Segment by adding doubled capacity
- Commissioned additional capacity of SOP by 10,000 TPA
- Planned Expansion in the areas of Dyes Intermediates and Sulphur Derivatives
- Launched the brand Dyecol™ for Dyestuff
- Acquired Kisan Phosphates in FY18

Our Product Portfolio



Our Products

Constantly on the improvement based on market response with over 30 different shades in Reactive dyes Black, Yellow & Red

Gamma Acid, K- Acid, R-Salt, Vinyl Sulphone, Meta Ureido Aniline and H- Acid

Single Super Phosphate (SSP) Soil Conditioner, Mixed granulated fertiliser (NPK), Sulphate Of Potash (SOP)

Sulphuric Acid, Oleum and Chloro Sulphonic Acid (CSA)

Di- Calcium Phosphate (DCP)

DyeStuff

Dye Intermediates

Fertilizers

Acid Complex

Cattle Feed

Used for Dying of Textile / Yarns commonly cellulosic material

Products manufactured from organic chemicals and are further processed to obtain dyestuff

Phosphatic fertiliser & a fertiliser used to the improve the soils quality and for improving / Building soil

Active acid reagent typically used for Sulphonation reaction

Mainly used as a dietary supplement in animal feed products by cattle & poultry feed manufacturers

Applications of the Products



A One Stop Solution



All our Plants are at a single location, Lote Parshuram, Maharashtra...

Unit 1 – Dye Intermediates



Unit 2 – SSP Granulation Plant



Unit 3 - New Reactive Dyes Plant



Unit 4 - SOP



Sulphuric Acid Plant



New Application Lab for Testing of Dyes

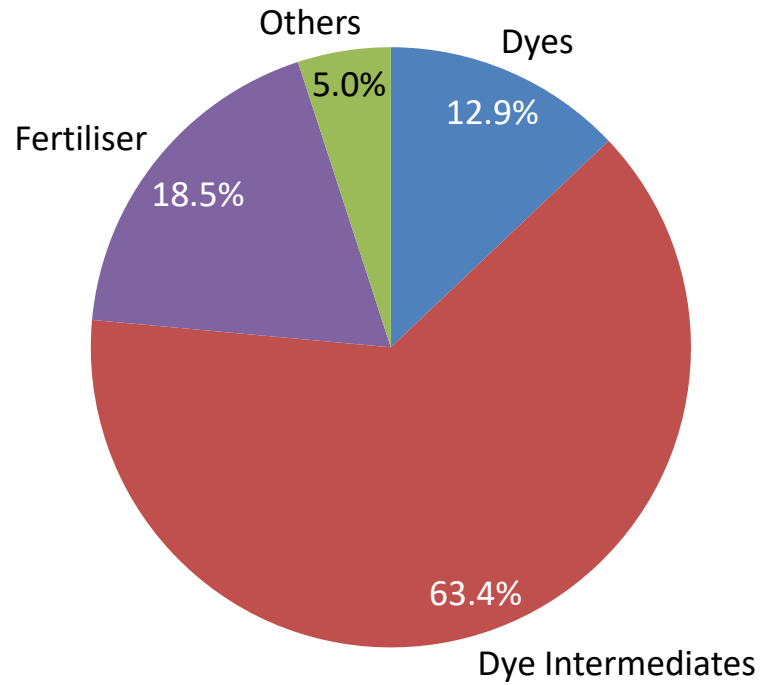


... leading to operational and logistics efficiencies.

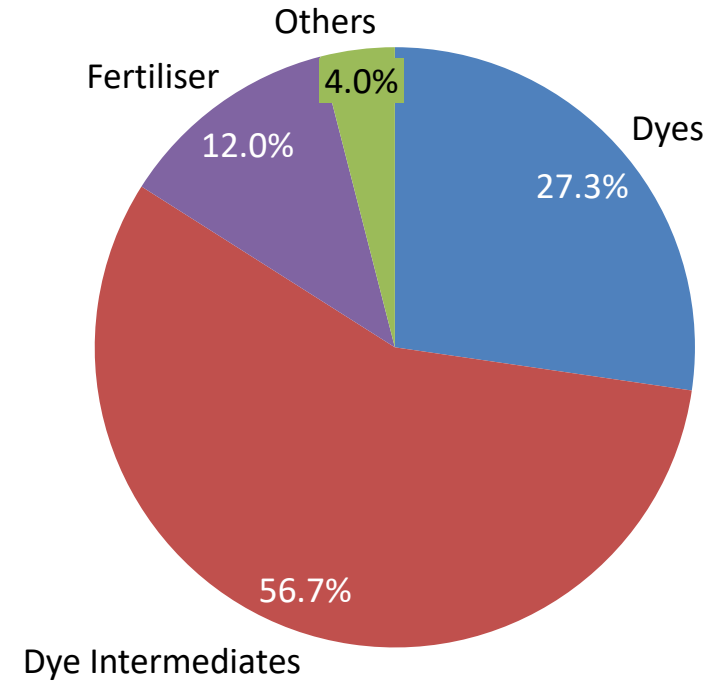
Persistent Focus on the High Margin Dyestuff Segment



**FY17 Revenue :
Rs 310.2 Crores**



**FY19 Revenue :
Rs 400.2 Crores**



Increase in contribution of Dyestuff Segment

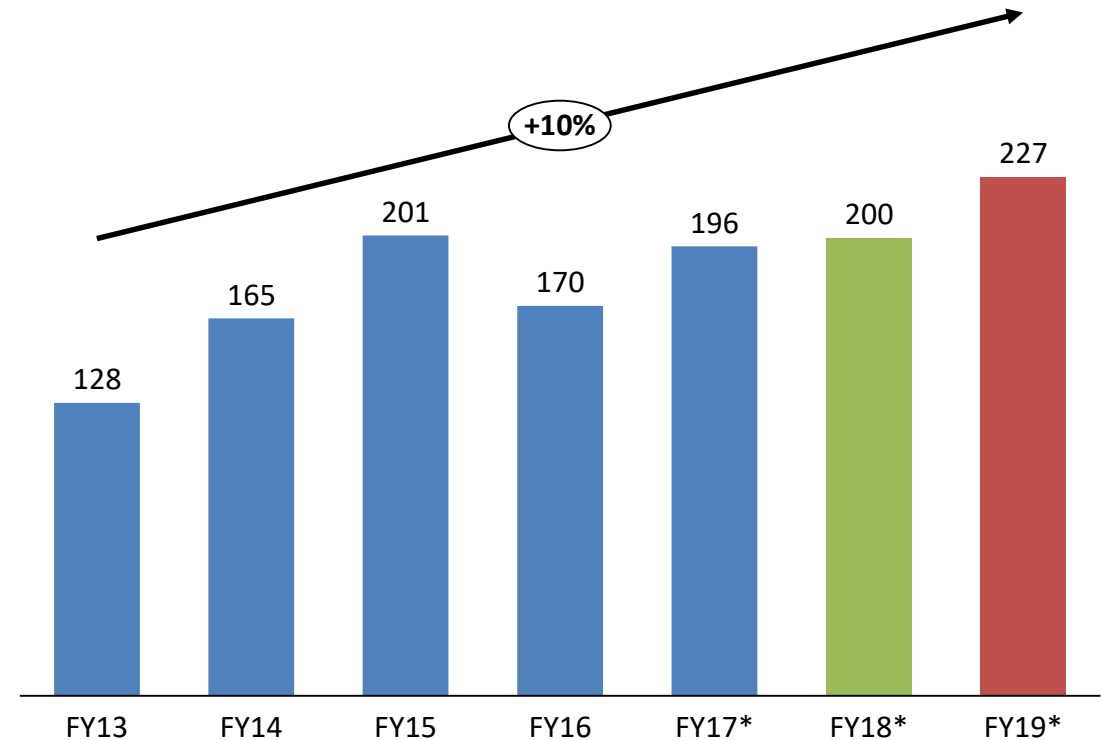
*Above figures are on Standalone Basis

An Overview of Dye Intermediates Business



- ❑ One of the few manufactures of wide range of dye intermediates in India with zero waste
- ❑ Post 2006, we have been enjoying best cost efficiency due to recycling of effluents
- ❑ State of art integrated manufacturing facilities located at Lote Parshuram, Maharashtra
- ❑ Total Capacity of 8,986 MTA
- ❑ Amongst India`s large manufacturers of K-Acid
- ❑ End Use in manufacturing of Dyes for Textile Industry

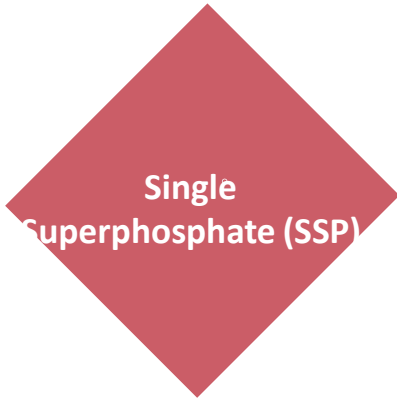
Revenue in Rs. Crores



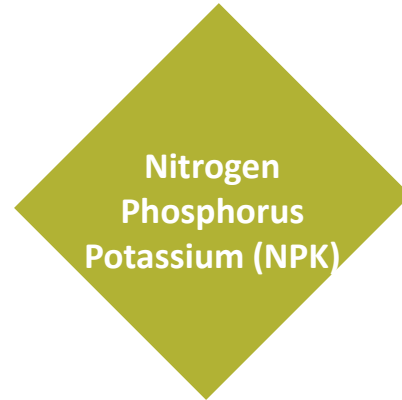
*As per Ind AS

On Standalone Basis

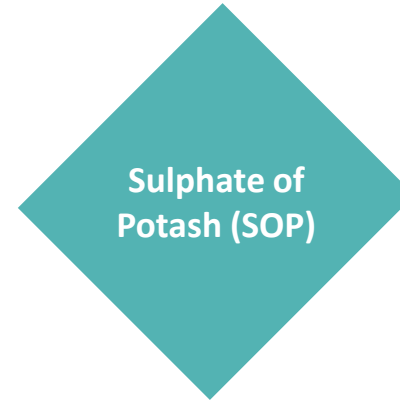
Our Fertilisers Division



- The main raw materials for SSP are rock phosphate and sulphuric acid and it is based on one of the simplest chemical reactions in the fertilizer industry
- SSP, which is a poor farmer's fertilizer (price-wise), is an option to optimise the use of phosphatic fertilizers
- We have a capacity of **100,000 TPA** which was started in 2011 + additional **100,000 TPA** by way of Kisan Phosphates



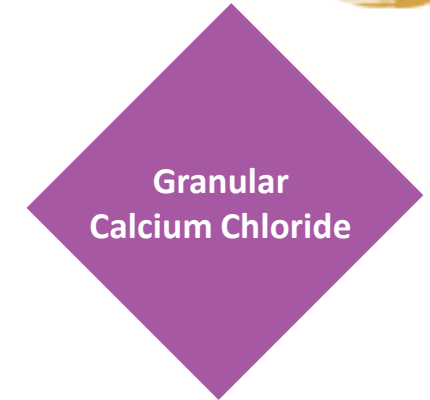
- NPK fertilizer is primarily composed of three main elements: Nitrogen (N), Phosphorus (P), and Potassium (K)
- We have received a license for manufacture of Mixed Fertilizer NPK in the state of Maharashtra
- We have a Capacity of **18,000 MTA** and was launched on February 2016



- SOP is a preferred form of potassium in saline or sodic soil conditions and where irrigation water may have high chloride levels
- We started the SOP plant with a capacity of **10,000 MTA** commenced Commercial Production in the end of September 2016 and further commissioned additional 10,000 MTA capacity based on improved demand



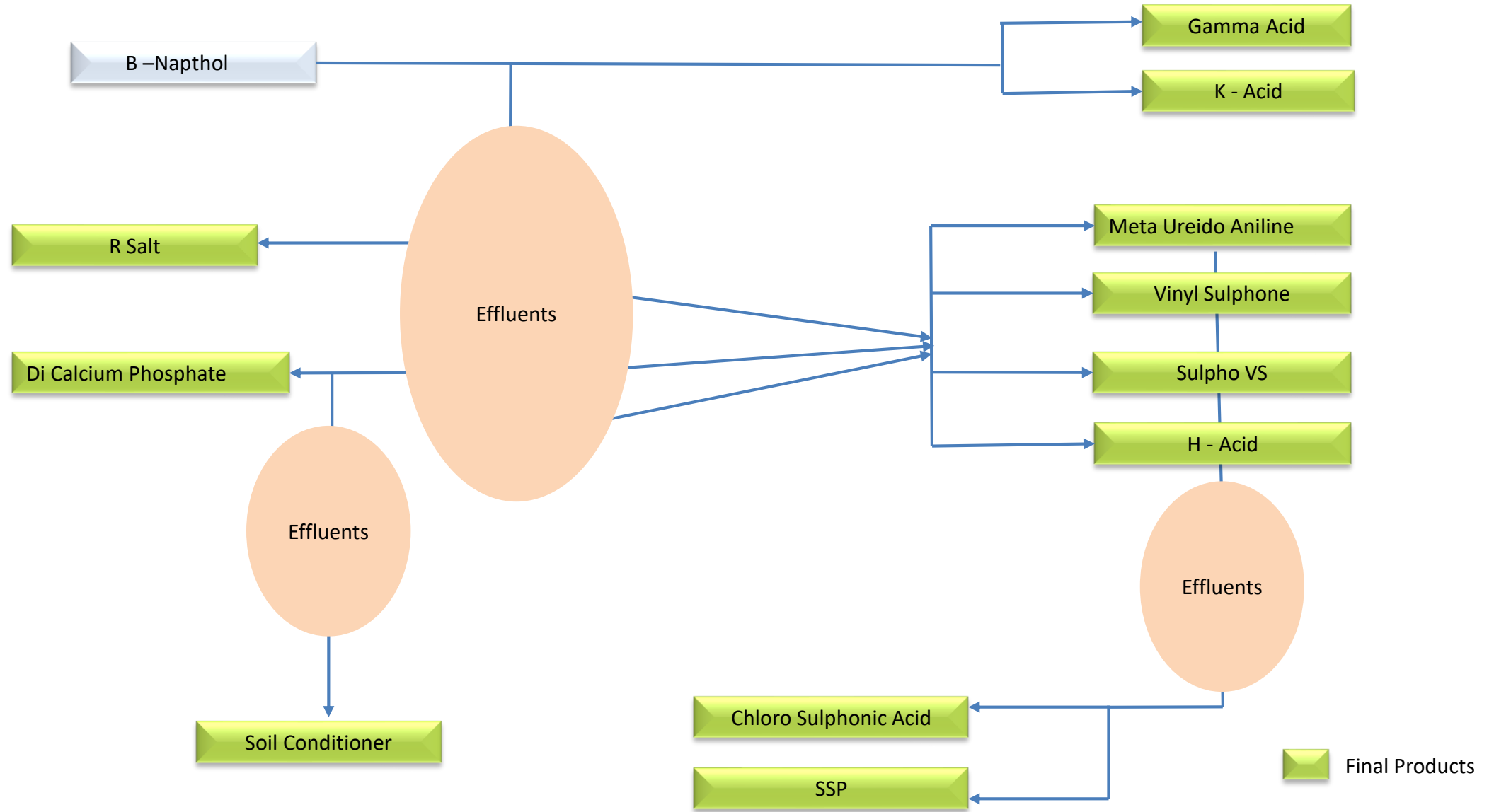
- Soil conditioner is a product which is added to soil to improve the soil's physical qualities, usually its fertility (ability to provide nutrition for plants) and sometimes aids its mechanics.
- We have a capacity of **12,000 MTA** and commenced manufacture in 2011 + additional **6,000 TPA** by way of Kisan Phosphates
- Launched its own soil conditioner brand 'Dharti Ratna' in Western Maharashtra



- To utilize HCL generated in SOP, we set up a granular calcium chloride plant
- Calcium Chloride is designed for snow removal and deicing operation
- The Plant has a capacity of **6500 MTA**. Commercial Production commenced in February 2017

We are marketing our products through our own brand name through our own marketing channels

Zero Waste Methodology – Creating Value



Our Strengths



Fast Paced Growth in our Dyestuff Segment

Substantial increment in the contribution from Dyestuff Segment to our Revenue on a quarter on quarter basis

Low Financial Leverage

Zero Debt Company with Debt to Equity nearly NIL

Internal Co-generation of Power

Use of High Pressure Steam generated from Acid Plant for Power Generation and Internal Consumption and also consume low pressure steam for general heating in the various plants, thus saving on fuel cost

Own logistics Fleet

For smooth transportation of raw material and products to Clients

Zero Waste Chemical Company

We do not incur large costs on effluent treatment due to our zero waste model

Cost Efficiencies

We are backward Integrated for Raw Material manufacturing

Single Location Plant

All Facilities within MIDC, Lotte Parshuram, Maharashtra, thus offering us numerous logistics and management control advantages

Inorganic Growth

Took the first step of inorganic growth by 100% equity acquisition of Kisan Phosphates Pvt Ltd, located in Hisar, Haryana



Growth Drivers for the Future



Environmentally Conscious

- A clean track record with no regulatory issues
- Continue to recycle our effluents in our integrated model and minimize discharge
- We are already BlueSign certified company and our manufacturing bases are as per international EHS Standards

Plans For Expansion

- Reactive Dyes Capacity expanded to 6000 MTA
- Sulphate of Potash (SOP) capacity to be doubled to 20,000 MTA

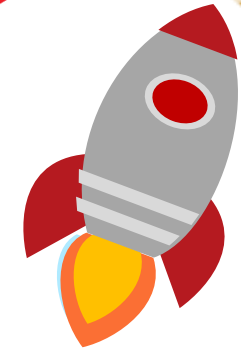
Working towards our Brand

Launched the brand **Dyecol™** for Dyestuff and looking to capture more value by leveraging our marketing capabilities

Growth within the Dyestuff Segment

We have been focusing on increasing revenue from the higher margin Dyes Business through the export and domestic markets

Our Vision is to become a complete Textile Solutions Provider



Key Management



Punit Makharia
 Chairman & Managing Director
 A first generation entrepreneur, he holds a Bachelors in Commerce with a rich business experience of over 2 decades in dealing with chemical and dyes intermediates



Gautam Makharia
 Managing Director
 With and BE in Electronics and an MBA(Finance), his experience spans across GE, P & G, Barclays, BARC



Ratan Jha
 CFO
 CA with 10+ years of experience in accountancy and taxation



Dilip Shah
 GM – Export Import
 Has 28 years of experience in the field of Import and Export



R Purohit
 GM Marketing–Fertilizer
 20+ years of experience in strategic planning, marketing/ business development



S N Sengupta
 Associate Director
 A chemical engineer with experience of 34 years in project financing and techno economic feasibility studies of industrial projects



Rajkumar Sahani
 VP - Projects
 A chemical Engineer with over 43 years of experience in setting up various chemical plants and has worked with R.C. Fertilisers Private Limited



Mahendra Kavadia
 GM of Unit I
 Over 29 years of experience in the field of dyes, chemicals and fertilisers



R M Tiwari
 GM of Unit II
 30 years of experience in manufacturing of fertilizers



Dolekar
 GM of Unit III
 With an B. Tech in Dyes & Pigments, he has over 20+ years of experience in the manufacture of Dyes



Satish Chavan
 Company Secretary
 With experience of over 2 years he is a CS with Bachelors degree in Commerce and Law





For further information, please contact

Company :

Shree Pushkar Chemicals & Fertilisers Ltd

CIN: L24100MH1993PLC071376

Mr. S N Sengupta, Associate Director

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Investor Relations Advisors :

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